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DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A
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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: October 11, 2006

All Geared Up For Negotiations

1. On Wednesday, Federal President Heinz Fischer will officially authorize SPOe Boss Alfred Gusenbauer to form a government, allowing formal coalition negotiations between SPOe and OeVP to begin. Both parties have already nominated their teams. Mass circulation daily "Kurier" reports that, whereas the SPOe has nominated all four of its provincial governors, the OeVP team contains only two of theirs: Erwin Prll, Provincial Governor of Lower Austria, and Josef Pühringer, Provincial Governor of Upper Austria. In addition, the OeVP has three ministers in its negotiation team: Foreign Minister Ursula Plassnik, Minister for Health Maria Rauch-Kallat, and Minister of Finance Karl-Heinz Grassler. Not in the negotiation team is Minister of Agriculture Josef Prll, who is said to be in line for the position of Vice-Chancellor and next OeVP boss. Instead, he is head of a group that was formed to discuss the future party line and identify future perspectives. The OeVP is determined to stick to its policy of limiting debt and wants its tax and pension reform preserved in a possible grand coalition. Also, it opposes the SPOe initiative to investigate the Eurofighter deal

Bawag Scandal: Elsner Not Dangerously Ill

2. Former Bawag boss Helmut Elsner is apparently not so ill as to prevent his extradition to Austria where he will stand trial. The French court dealing with the case obtained a medical certificate to the effect that Elsner's health allows for his return to Austria. Unless new facts are revealed that contradict this medical certificate, Elsner's lawyers will not have an easy time trying to prevent an extradition, writes ORF online. Elsner's French lawyer showed himself "surprised" by the expert opinion and referred to a contradictory evaluation by a heart specialist at the hospital La Timone, where Elsner underwent examinations.

OeGB Reveals Deficit

3. The central organization of trade unions in Austria, OeGB, ran up a large deficit in 2005/2006. The latest figures reveal a 2005 deficit of more than 38 percent. There are no exact figures for 2006 yet, but it is expected that the deficit will also be high. It is said that the deficit could have been even higher than it actually is - that was prevented by using up reserves and by taking measures such as selling the OeGB management headquarters in the center of Vienna, reports ORF radio morning news.

EU's CIA Committee Levels Charges Against Austria

4. The "CIA committee" of the European Union, which is investigating

charges of US secret prisons on EU territory, has leveled charges against Austria. In the case of a Sudanese citizen who lives in Austria, the authorities allegedly cooperated with US and Jordanian intelligence. Masaad Omar Behari testified before the CIA investigation committee of the European Parliament with regard to his arrest in Jordan and subsequent physical and psychological torture, writes semi-official daily "Wiener Zeitung." The alleged goal of his arrest and torture was to extract from him information about an Al-Qaida terror cell in Vienna and about various mosques. Behari spent three months in prison during which he was subjected to different kinds of torture and was not allowed to contact either his family or a lawyer. According to Otmar Lahodynsky, a "Profil" journalist who likewise testified before the committee, the questions that Behari had to answer lead to the conclusion that Austrian authorities cooperated with US or Jordan intelligence services.

End of EU Secrecy

15. The controversial EU practice of holding secret ministerial meetings is about to come to an end. Starting November, it will be possible for every EU citizen to watch most of the meetings via internet. This new regulation is the result of an initiative brought forward by the Austrian EU presidency. Its goal is to counteract the widespread impression among EU citizens that the organization is not sufficiently transparent, writes centrist daily "Die Presse." Not just the full debate will be shown in the future; it will also be revealed how the individual ministers voted in the Council. Summit meetings with heads of state and government as well as the meetings of EU ambassadors, who prepare many ministerial decisions, will remain inaccessible to the public.

North Korea: Confusion About Alleged Second Test

16. Rumors of a second nuclear test in North Korea have been rejected by the governments of Japan and South Korea. The US administration also said there was no confirmation of a second test. All Austrian media report extensively on the North Korean nuclear test that took place on Monday. Independent daily "Der Standard" quotes a North Korean official, who indicated that his country might fire a nuclear bomb "unless the situation can be cleared up before an unfortunate incident happens." The US plays a central role in this latest development, the official was quoted as saying. He added that his country wanted security above all else. North Korea was prepared to give up its nuclear program in exchange for direct talks with the US. Meanwhile, the UN Security Council is debating about possible sanctions, which may include an arms embargo and stopping all trade with "dual use" goods, as well as with military material or luxury goods. Japan has announced that it will remain abstemious with regard to nuclear weapons. Prime Minister Shinzu Abe has made clear that his country will not join the club of nuclear powers despite the heightened threat from North Korea, writes "Die Presse."

Negotiations About Future of Northern Ireland

17. Starting Wednesday, British Prime Minister Tony Blair and his Irish counterpart Bertie Ahern will begin negotiations with leading representatives of the Protestant and Catholic parties of Northern Ireland. Core of the negotiations will be the issue of an autonomous provincial government for Northern Ireland. There is a deadline until November 24 for an agreement between the conflicting parties in the province, reports ORF online. Until then, an autonomous government consisting of Loyalists and Republicans has to be in place - otherwise, Northern Ireland will once again be governed directly from London. According to semi-official daily "Wiener Zeitung," Prime Minister Tony Blair has pointed out that the IRA had "done what we demanded." Blair referred to a recent report of the respective investigation commission, where it is stated that the Irish underground movement has changed fundamentally. Likewise, most Loyalist militia have abstained from further actions. The British Minister for Northern Ireland, Peter Hain, stated that the report was to be the basis for a final resolution of the Northern Ireland conflict, writes "Wiener Zeitung."
McCaw